

17 August 1960

MEMORANDUM FOR THE RECORD

SUBJECT: Production of Prototype Sections 44 (Manpower)
by the Department of Labor

1. A meeting was held in this office at the request of the Department of Labor to clarify certain points arising out of the preparation of prototype Sections 44 (Manpower) on the Arabian Peninsula and Venezuela. Present at the meeting were:

Mr. William C. Shelton - Chief/Division of Foreign Labor Conditions
Mr. William Gerber -

Chief/Research Branch - " " " "

Miss Julia E. Hyman

Chief/Monograph Section - " " " "

Mr. Daniel J. Clinton, NIS Coordinator, Department of State

25X1A9A Mr. [REDACTED] AD/BI

2. Mr. Shelton said that he requested this meeting primarily to discuss the timing of the production of these prototype Sections 44 and to determine related costs of producing such sections under the proposed reallocation.

3. Considering that the beginning of FY 1962 would be the logical time for the proposed reallocation, it was agreed that February 1961 would be a feasible deadline for completion of these two prototype studies and delivery of them to State for a critical substantive review and to OBI to determine whether or not they met NIS standards.

4. As to related costs, Mr. Shelton indicated that his Division was under contract to ICA and Department of the Army for more limited Manpower studies. In the case of ICA they were doing 5 studies at a contract cost of approximately \$25,000; in the case of Army their contract called for \$75,000 for approximately 14 studies. This would average out to about \$5,000 per study which Mr. Shelton emphasized was for more limited type of subject matter than is called for by the NIS Manpower sections.

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5. In reply to Mr. Shelton's query, Mr. Clinton said that it would be rather difficult to isolate total cost data respecting State's production of Manpower sections, but informally he thought they would amount to approximately \$7,200 per section including costs of graphic and review work. This cost was figured before the recent pay increase so it would be increased approximately 7 1/2%. All agreed that this was in the same order as production costs the Department of Labor was now experiencing with the related Manpower studies for Army and ICA, considering the more difficult NIS requirements.

6. I pointed out that inasmuch as State would be required to monitor and review any Department of Labor contributions under the proposed reallocation, State would be required to support certain personnel and related funds out of the present allocations for State's Manpower production; in short, that a proportionate amount of the total funds would have to be retained by State for this monitoring and review responsibility.

7. I questioned the existing capabilities of the Department of Labor for producing Manpower studies on the Sino-Soviet Bloc, referring specifically to the organization breakdown which Miss Shurcliff had provided me at the previous meeting on 16 December 1959 which showed only one Labor analyst assigned to the entire SovBloc and none assigned to Communist China. Mr. Shelton said that while they anticipated increasing their capabilities on these areas, at the present time they would be reluctant to take on responsibility in those areas, preferring for any initial production responsibility to confine their areas to the Free World.

8. Before leaving and at the request of Miss Hyman, I supplied her with copies of the NIS base and page size maps on the Arabian Peninsula and Venezuela.

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5. In reply to Mr. Shelton's query, Mr. Clinton said that it would be rather difficult to isolate total cost data respecting State's production of Manpower sections, but informally he thought they would amount to approximately \$7,200 per section including costs of graphics and review work. This cost did not include the recent pay increase, so it would have now increased approximately 7 1/2%. This was in the same order as production costs the Department of Labor was now experiencing with the related Manpower studies for Army and ICA, considering the more difficult NIS requirements.

6. I pointed out that inasmuch as State would be required to monitor and review any Department of Labor contributions under the proposed reallocation, State would need certain personnel and related funds out of the present allocations for State's Manpower production; in short, that a proportionate amount of the total funds allocated for Section 44 production would have to be retained by State for this monitoring and review responsibility.

7. I questioned the existing capabilities of the Department of Labor for producing Manpower studies on the Sino-Soviet Bloc, referring specifically to the organization breakdown which Miss Shurcliff had provided me at the previous meeting on 16 December 1959 which showed only one Labor analyst assigned to the entire SovBloc and none assigned to Communist China. Mr. Shelton said that while they anticipated increasing their capabilities on these areas, at the present time they would be reluctant to take on this responsibility, preferring to confine their initial reallocation responsibility to Free World areas.

8. Mr. Clinton indicated that, under the accelerated Maintenance program, State was programming about 11 Sections 44 a year, of which about 3 would be on Bloc areas. Mr. Shelton said that Labor could do the 8 Free World areas a year most efficiently by tying them in with those required by ICA and Army contracts. Mr. Clinton pointed out that the NIS schedule permitted little flexibility, but he thought that some reasonable compromise could be worked out.

9. Before leaving and at the request of Miss Hyman, I supplied her with copies of the NIS base and page size maps on the Arabian Peninsula and Venezuela.

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cc: DJClinton/State

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